

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>December 6, 2006</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2006-107-WS</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		<u></u>

SUBJECT:

DOCKET NO. 2006-107-WS - Application of United Utility Companies, Incorporated for Adjustment of Rates and Charges and Modification to Certain Terms and Conditions for the Provision of Water and Sewer Service – Discuss with the Commission the Petition for Rehearing or Reconsideration and, Alternatively, Request for Approval of Bond Filed on Behalf of the Applicant and a Petition for Reconsideration or Rehearing of Order No. 2006-593 Filed by the Office of Regulatory Staff. North Greenville University, Intervenor, has filed an Objection to the Applicant's Petition for Rehearing or Reconsideration and, Alternatively, Request for Approval of Bond.

COMMISSION ACTION:

Mr. Chairman, I move that both the United and the Office of Regulatory Staff's Petitions for Reconsideration or Rehearing in this case be denied. I believe that the legal positions taken by the parties are contrary to the intent of the Legislature and contrary to South Carolina Supreme Court precedent. I do not believe that Act 175 or any other statute changed the fact that the Commission is the ultimate arbiter of just and reasonable rates and whether the approval of specific rates is in the public interest. Further, there is case law from the South Carolina Supreme Court that challenges the view of the parties in this case that only a party to a case may challenge a Company's rate structure or other portions of a Company's rate case.

Mr. Chairman, in denying the Petitions of the parties, I believe that we should emphasize that the Commission has the right to seek further information, especially with regard to matters raised in hearings before this Commission during a rate proceeding. Also, Mr. Chairman, I believe that the Commission's order should state that there is no absolute right to settle a case before this Commission, especially when the parties enter into a settlement without providing requested relevant information and witnesses to this Commission. Further, I believe that we need to emphasize, as we did in our first order that the proposed Settlement Agreement in this case might have been approved, and rate relief granted, had the Parties provided a meaningful response to this Commission's concerns. In general, I move that we hold that the grounds stated in both Petitions are without merit, and, accordingly, that the Petitions should be denied. Mr. Chairman, I also move that a notation be placed in our directive stating that this Commission will subsequently file a formal final order setting out in more detail the legal reasoning and authority supporting this ruling.

Finally, with regard to the alternate motion of United that this Commission approve a bond pursuant to S.C. Code Ann. Section 58-5-240(D) in the amount of \$92,631, I move that the objection of North Greenville University be overruled as the request for bond approval has been made in conformity with the requirements set out by the Legislature in S.C. Code Ann. Section 58-5-240(D), and that this Commission approve this amount and the bond form attached to the United Petition as an appropriate bond while the matter is on appeal. Lastly, I move that we hold in abeyance any ruling on the method by which the Company shall make any refunds, should refunds become necessary.

PRESIDING Hamilton

	MOTION	YES	NO	OTHER
CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
FLEMING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Session: Regular

Time of Session 10:30 AM

APPROVED	<input type="checkbox"/>
APPROVED STC 30	<input type="checkbox"/>
DAYS	
ACCEPTED FOR FILING	<input type="checkbox"/>
DENIED	<input type="checkbox"/>
AMENDED	<input type="checkbox"/>
TRANSFERRED	<input type="checkbox"/>
SUSPENDED	<input type="checkbox"/>
CANCELED	<input type="checkbox"/>
SET FOR HEARING	<input type="checkbox"/>
ADVISED	<input type="checkbox"/>
CARRIED OVER	<input type="checkbox"/>
RECORDED BY	<u>JBS</u>